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CURRENT INDUSTRIAL REPORTS

Manufacturers' Shipments, Inventories, and Orders

November 1973

U. S. DEPARTMENT OF COMMERCE • Social and Economic Statistics Administration • BUREAU OF THE CENSUS

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SUMMARY

New orders for manufactured products in November increased $1.80 billion or 2.3 percent to $79.56 billion from $77.76 billion in October after seasonal adjustment. Shipments increased $1.77 billion or 2.4 percent to $77.04 billion from $75.27 billion in October. Unfilled orders increased $2.52 billion or 2.3 percent to $114.42 billion at the end of November. Manufacturers' total inventories increased $1.12 billion or 1.0 percent to $118.34 billion at the end of November. The inventories to shipments ratio decreased from 1.56 to 1.54.

For the 3 months ending in November, the average month to month change in new orders increased 1.5 percent compared with a 0.7 percent increase for the 3 months ending in August and a 1.6 percent increase for the 3 months ending in May.

NEW ORDERS

New orders for durable goods in November increased $395 million or 0.9 percent to $44.43 billion. The November increase was led by shipbuilding and railroad equipment ($735 million). This increase was partially offset by decreases in the aerospace industries ($250 million) and the motor vehicles and parts industry ($220 million).

SHIPMENTS

Shipments of durable goods increased $350 million or 0.8 percent to $41.92 billion in November. The November increase was led by nonelectrical machinery ($160 million), the aerospace industries ($155 million) and the primary metals industries ($85 million). These increases were partially offset by a $255 million decrease in the motor vehicles and parts industry.

Shipments of nondurable goods increased $1.43 billion or 4.2 percent to $35.13 billion. The nondurable goods increase was led by food products ($445 million), petroleum and coal products ($285 million), apparel industries ($230 million) and the chemicals industries ($190 million).

UNFILLED ORDERS

Unfilled orders of durable goods increased $2.52 billion or 2.3 percent to $109.70 billion at the end of November. The November increase was led by shipbuilding and railroad equipment ($760 million), nonelectrical machinery ($741 million) and electrical machinery ($415 million).

INVENTORIES

Inventories of durable goods and nondurable goods increased $715 million and $405 million respectively at the end of November. At the all manufacturing level, materials and supplies increased $460 million, work in process increased $555 million and finished goods increased $105 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for December is scheduled for release on January 22, 1974 and the full report is scheduled for release on January 31, 1974.

For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233.

Due to the extended Christmas and New Year holidays, the M4A report, Manufacturers' Export Sales and Orders of Durable Goods, is scheduled for release on January 9.

For sale by the Bureau of the Census, Washington, D.C. 20233. Price 15 cents, $1.50 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment[1]			Seasonally adjusted			Without seasonal adjustment[1]		
	Nov. 1973p	Oct. 1973r	Sept. 1973	Nov. 1973p	Oct. 1973r	Nov. 1972	Nov. 1973p	Oct. 1973r	Sept. 1973	Nov. 1973p	Oct. 1973r	Nov. 1972
All manufacturing industries:												
Total	77,043	75,269	73,060	76,412	77,081	66,567	118,344	117,224	116,114	117,746	116,496	106,623
Total, excluding transportation	66,309	64,460	62,363	65,396	65,923	56,359	100,596	99,458	98,424	99,876	98,627	90,370
Durable goods industries, total	41,915	41,567	40,162	41,373	42,285	36,503	77,666	76,951	76,249	77,175	76,399	69,334
Stone, clay, and glass products	2,170	2,178	2,046	2,144	2,314	1,987	2,736	2,720	2,702	2,625	2,599	2,355
Primary metals, total	6,817	6,730	6,266	6,405	6,345	5,025	9,203	9,222	9,323	9,233	9,185	9,716
Blast furnaces, steel mills	3,374	3,459	3,149	3,063	3,054	2,479	4,612	4,677	4,791	4,681	4,681	5,436
Nonferrous metals	2,505	2,369	2,284	2,437	2,355	1,811	3,388	3,375	3,358	3,381	3,358	3,318
All other primary metals	938	902	833	905	936	735	1,203	1,170	1,174	1,171	1,146	962
Fabricated metal products total	4,713	4,648	4,345	4,666	4,811	3,974	8,817	8,513	8,519	8,627	8,418	7,592
Metal cans, barrels, and drums	490	490	458	429	476	376	726	721	699	676	686	672
Machinery, except electrical, total	6,512	6,353	6,243	6,081	6,237	5,130	16,348	16,164	15,952	16,304	16,012	14,138
Engines and turbines	523	573	570	500	492	419	1,394	1,378	1,377	1,429	1,400	1,249
Farm machinery and equipment	641	500	598	485	560	446	1,335	1,342	1,312	1,298	1,266	1,193
Construction, mining, and material handling equipment	1,324	1,293	1,218	1,189	1,225	887	3,191	3,162	3,102	3,175	3,086	2,667
Metalworking machinery	382	353	340	357	351	273	1,416	1,385	1,367	1,419	1,395	1,154
General industrial machinery	547	575	529	517	582	445	1,390	1,375	1,351	1,372	1,348	1,215
Electrical machinery, total	5,372	5,372	5,288	5,559	5,642	5,109	12,260	12,102	11,834	12,129	12,025	10,144
Electrical transmission and distribution equipment and industrial apparatus	1,044	998	1,013	1,050	1,003	939	2,710	2,651	2,587	2,675	2,624	2,205
Household appliances	674	687	693	650	700	615	1,176	1,172	1,147	1,153	1,145	1,011
Radio and TV	565	524	513	643	613	582	1,065	1,050	1,043	1,045	1,052	919
Communication equipment	1,128	1,139	1,133	1,152	1,161	1,124	3,468	3,430	3,323	3,447	3,413	2,894
Transportation equipment, total	10,734	10,809	10,697	11,016	11,158	10,208	17,748	17,766	17,690	17,870	17,869	16,253
Motor vehicles and parts	6,679	6,932	6,692	6,940	7,314	6,670	5,386	5,391	5,436	5,456	5,450	4,663
Aircraft, missiles, and parts	2,809	2,655	2,918	2,913	2,649	2,585	9,697	9,740	9,580	9,719	9,740	9,260
Shipbuilding and railroad equipment	438	405	398	443	397	365	1,828	1,829	1,847	1,879	1,908	1,607
Instruments and related products, total	1,233	1,245	1,192	1,260	1,302	1,232	3,122	3,083	3,031	3,064	3,053	2,669
Scientific and engineering	603	603	595	588	620	579	1,736	1,708	1,668	1,715	1,693	1,565
All other instruments and related products	630	642	597	672	682	653	1,386	1,375	1,363	1,349	1,360	1,104
All other durable goods industries	4,364	4,232	4,085	4,242	4,476	3,838	7,432	7,381	7,198	7,323	7,238	6,467
Nondurable goods industries, total	35,128	33,702	32,898	35,039	34,796	30,064	40,678	40,273	39,865	40,571	40,097	37,289
Food and kindred products, total	12,183	11,739	11,348	12,336	12,187	10,126	10,314	10,172	10,027	10,777	10,509	9,873
Meat products	2,959	2,723	2,725	2,917	2,897	2,444	1,163	1,116	1,079	1,177	1,112	906
Fats and oils	847	818	944	896	814	655	702	630	652	767	625	808
Tobacco products	540	536	498	544	534	515	2,451	2,425	2,398	2,454	2,401	2,321
Textile mill products	2,632	2,532	2,499	2,670	2,758	2,368	4,503	4,407	4,436	4,322	4,269	3,869
Paper and allied products, total	2,884	2,807	2,739	2,837	2,863	2,406	3,173	3,089	3,070	3,124	3,057	2,826
Pulp, paper, etc	1,234	1,201	1,148	1,210	1,219	1,016	1,093	1,047	1,049	1,081	1,048	1,034
Paperboard containers	773	749	728	762	780	632	934	914	906	930	909	833
All other paper containers	877	857	863	865	864	758	1,146	1,128	1,115	1,113	1,100	959
Chemicals and allied products, total	5,877	5,687	5,575	5,595	5,643	4,845	7,215	7,185	7,175	7,099	7,027	6,918
Industrial chemicals, except pigments	1,716	1,634	1,608	1,637	1,606	1,403	2,000	1,992	1,977	2,004	1,975	2,011
Drugs, soap, and toiletries	1,620	1,581	1,581	1,612	1,693	1,449	2,410	2,414	2,402	2,335	2,347	2,076
Petroleum and coal products	3,455	3,170	3,100	3,424	3,135	2,618	2,576	2,474	2,391	2,647	2,536	2,408
Rubber and plastics products, n.e.c.	1,794	1,748	1,706	1,729	1,809	1,604	2,569	2,578	2,551	2,554	2,532	2,331
All other nondurable goods industries	5,763	5,483	5,433	5,904	5,867	5,582	7,877	7,943	7,817	7,594	7,766	6,743

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment[1]			Seasonally adjusted			Without seasonal adjustment[1]		
	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1973[p]	Oct. 1973[r]	Nov. 1972	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1973[p]	Oct. 1973[r]	Nov. 1972
All manufacturing industries:												
Total	79,561	77,758	75,129	79,024	79,349	67,075	114,417	111,897	109,410	112,688	110,076	83,175
Total, excluding transportation	67,931	66,390	64,151	67,092	67,688	57,044	83,085	81,460	79,532	81,407	79,712	57,777
Durable goods industries, total	44,430	44,037	42,259	43,951	44,517	36,827	109,703	107,185	104,716	108,013	105,436	79,251
Primary metals, total	6,808	6,868	6,325	6,868	6,505	5,337	14,989	14,996	14,857	13,820	13,359	7,369
Blast furnaces, steel mills	3,164	3,309	3,068	3,338	2,947	2,730	10,100	10,309	10,459	9,130	8,855	4,583
Nonferrous metals	2,594	2,516	2,338	2,500	2,495	1,850	2,819	2,730	2,582	2,650	2,588	1,739
Fabricated metal products	5,007	5,135	4,982	4,857	5,233	3,863	14,625	14,329	13,842	14,502	14,311	10,490
Machinery, except electrical, total	7,253	7,174	6,922	6,832	7,126	5,524	21,362	20,621	19,798	21,232	20,480	14,254
Engines and turbines	717	711	625	684	653	552	5,587	5,393	5,255	5,577	5,393	4,242
Construction, mining, and material handling equipment	1,551	1,505	1,349	1,389	1,449	936	4,278	4,050	3,838	4,235	4,034	2,640
Metalworking machinery	475	489	359	437	487	335	2,019	1,926	1,790	2,037	1,957	1,035
General industrial machinery	535	689	743	530	673	504	2,233	2,245	2,131	2,184	2,171	1,455
Electrical machinery, total	5,786	5,816	5,537	5,746	5,933	5,101	19,713	19,300	18,857	19,672	19,486	15,617
Electrical transmission and distribution equipment and industrial apparatus	1,205	1,097	1,152	1,180	1,129	997	5,430	5,269	5,170	5,395	5,264	4,154
Household appliances	665	674	687	632	688	600	121	130	144	114	132	132
Radio and TV	656	530	538	630	596	495	773	683	677	710	724	650
Communication equipment	1,149	1,152	1,085	1,085	1,173	1,077	6,299	6,278	6,265	6,406	6,473	6,152
Transportation equipment, total	11,630	11,368	10,978	11,932	11,661	10,031	31,332	30,437	29,878	31,281	30,364	25,398
Aircraft, missiles, and parts	2,904	3,156	3,063	2,860	3,007	2,321	19,743	19,648	19,148	19,637	19,689	17,367
Shipbuilding and railroad equipment	1,198	462	327	1,205	493	299	7,208	6,448	6,390	7,136	6,374	5,021
All other durable goods industries	7,946	7,676	7,515	7,716	8,059	6,971	7,682	7,502	7,484	7,506	7,436	6,123
Nondurable goods industries, total	35,131	33,721	32,870	35,073	34,832	30,248	4,714	4,712	4,694	4,675	4,640	3,924
Industries with unfilled orders	8,678	8,465	8,260	8,828	8,917	7,976	4,714	4,712	4,694	4,675	4,640	3,924
Industries without unfilled orders	26,453	25,256	24,610	26,245	25,915	22,272	-	-	-	-	-	-

- Represents zero. [p]Preliminary. [r]Revised.

[1]Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment[1]			Seasonally adjusted			Without seasonal adjustment		
	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1973[p]	Oct. 1973[r]	Nov. 1972	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1973[p]	Oct. 1973[r]	Nov. 1972
	Shipments						Total inventories					
All manufacturing industries, total..	77,043	75,269	73,060	76,412	77,081	66,567	118,344	117,224	116,114	117,746	116,496	106,623
Durable goods industries, total.....	41,915	41,567	40,162	41,373	42,285	36,503	77,666	76,951	76,249	77,175	76,399	69,334
Nondurable goods industries, total.....	35,128	33,702	32,898	35,039	34,796	30,064	40,678	40,273	39,865	40,571	40,097	37,289
Industry groups arranged by market categories:												
Home goods and apparel.....	7,145	6,878	6,683	7,196	7,491	6,585	13,202	13,146	12,929	12,713	12,784	11,263
Consumer staples.....	14,957	14,479	13,929	15,145	15,128	12,904	15,716	15,638	15,417	16,013	15,867	14,602
Equipment and defense products, except automotive.....	10,652	10,222	10,433	10,360	10,161	8,995	30,507	30,302	29,820	30,432	30,132	26,957
Automotive equipment.....	8,044	8,306	7,898	8,179	8,706	7,734	7,037	7,021	7,084	7,062	7,024	6,131
Construction materials, supplies, and intermediate products.....	6,315	6,112	5,928	6,208	6,394	5,477	10,066	9,764	9,760	9,876	9,584	8,633
Other materials and supplies and intermediate products.....	29,930	29,272	28,189	29,324	29,201	24,872	41,816	41,353	41,104	41,650	41,105	39,037
Supplementary series:[2]												
Household durable goods industries.....	3,209	3,152	3,042	3,244	3,415	2,952	6,273	6,210	6,065	6,111	6,069	5,353
Capital goods industries.....	12,307	12,096	12,032	12,245	12,023	10,712	34,445	34,200	33,691	34,407	34,123	30,254
Nondefense.....	10,679	10,386	10,425	10,573	10,336	9,100	28,946	28,669	28,163	28,869	28,558	25,284
Defense*.....	1,628	1,710	1,607	1,672	1,687	1,612	5,499	5,531	5,528	5,538	5,565	4,970
	New orders						Unfilled orders					
All manufacturing industries, total..	79,561	77,758	75,129	79,024	79,349	67,075	114,417	111,897	109,410	112,688	110,076	83,175
Durable goods industries, total.....	44,430	44,037	42,259	43,951	44,517	36,827	109,703	107,185	104,716	108,013	105,436	79,251
Nondurable goods industries, total.....	35,131	33,721	32,870	35,073	34,832	30,248	4,714	4,712	4,694	4,675	4,640	3,924
Industry groups arranged by market categories:												
Home goods and apparel.....	7,270	6,948	6,732	7,213	7,456	6,430	3,005	2,885	2,806	2,955	2,927	2,413
Consumer staples.....	14,955	14,488	13,926	15,154	15,154	12,915						
Equipment and defense products, except automotive.....	12,192	11,203	11,107	11,551	11,175	9,177	55,615	54,035	53,052	55,392	53,993	43,375
Automotive equipment.....	8,085	8,307	8,105	8,386	8,755	7,887						
Construction materials, supplies, and intermediate products.....	6,593	6,630	6,458	6,348	6,854	5,354	13,602	13,323	12,805	13,465	13,325	9,798
Other materials and supplies and intermediate products.....	30,466	30,182	28,801	30,372	29,955	25,312	42,195	41,654	40,747	40,876	39,831	27,589
Supplementary series:[2]												
Household durable goods industries.....	3,334	3,220	3,055	3,255	3,392	2,779	2,404	2,281	2,213	2,343	2,331	1,912
Capital goods industries.....	14,059	13,488	12,832	13,695	13,497	10,741	61,917	60,165	58,771	61,655	60,203	48,825
Nondefense.....	11,892	11,595	11,267	11,673	11,501	9,511	40,466	39,253	38,042	40,245	39,145	29,527
Defense.....	2,167	1,893	1,565	2,022	1,996	1,230	21,451	20,912	20,729	21,410	21,058	19,298

*During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. [p]Preliminary. [r]Revised. [1]Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. [2]The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1967-72	
				3 months			12 months		
	Oct.-Nov. 1973	Sept.-Oct. 1973	Aug.-Sept. 1973	Aug.-Nov. 1973	May-Aug. 1973	Feb.-May 1973	Nov. 1972-Nov. 1973	Average rise	Average decline
Shipments:									
All manufacturing industries.....	+2.4	+3.0	+0.1	+1.8	+0.8	+1.0	+1.2	+1.3	-1.2
Durable goods industries, total.....	+0.8	+3.5	+1.3	+1.9	+0.3	+1.0	+1.1	+1.9	-1.6
Nondurable goods industries, total.....	+4.2	+2.4	-1.5	+1.7	+1.4	+0.9	+1.3	+0.9	-0.7
Total inventories:									
All manufacturing industries.....	+1.0	+1.0	+1.1	+1.0	+1.0	+0.8	+0.9	+0.5	-0.1
New orders:									
All manufacturing industries.....	+2.3	+3.5	-1.3	+1.5	+0.7	+1.6	+1.4	+1.8	-1.5
Durable goods industries, total.....	+0.9	+4.2	-1.0	+1.4	+0.2	+2.2	+1.5	+2.8	-2.4
Nondurable goods industries, total.....	+4.2	+2.6	-1.7	+1.7	+1.4	+0.9	+1.3	+1.0	-0.6
Unfilled orders:									
Durable goods industries, total.....	+2.3	+2.4	+2.0	+2.2	+3.0	+3.4	+2.7	+1.0	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1973[p]	Oct. 1973[r]	Nov. 1972	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1973[p]	Oct. 1973[r]	Nov. 1972
	Total						Materials and supplies					
All manufacturing industries, total..	118,344	117,224	116,114	117,746	116,496	106,623	39,296	38,836	38,175	39,266	38,832	33,801
Durable goods industries, total.....	77,666	76,951	76,249	77,175	76,399	69,334	23,451	23,064	22,621	23,441	23,200	19,950
Stone, clay, and glass products.....	2,736	2,720	2,702	2,625	2,599	2,355	970	936	914	963	932	797
Primary metals.....	9,203	9,222	9,323	9,233	9,185	9,716	3,478	3,376	3,355	3,575	3,493	3,388
Machinery (electrical and nonelectrical).	28,608	28,266	27,786	28,433	28,037	24,282	8,056	7,932	7,769	7,953	7,844	6,324
Transportation equipment.....	17,748	17,766	17,690	17,870	17,869	16,253	3,575	3,624	3,667	3,646	3,704	3,165
All other durable goods industries.....	19,371	18,977	18,748	19,014	18,709	16,728	7,372	7,196	6,916	7,304	7,227	6,276
Nondurable goods industries, total.....	40,678	40,273	39,865	40,571	40,097	37,289	15,845	15,772	15,554	15,825	15,632	13,851
Chemicals and allied products.....	7,215	7,185	7,175	7,099	7,027	6,918	2,703	2,681	2,640	2,680	2,646	2,404
Petroleum and coal products.....	2,576	2,474	2,391	2,647	2,536	2,408	564	542	556	564	537	504
Rubber and plastics products, n.e.c.....	2,569	2,578	2,551	2,554	2,532	2,331	937	919	890	954	915	711
All other nondurable goods industries....	28,318	28,036	27,748	28,271	28,002	25,632	11,641	11,630	11,468	11,627	11,534	10,232
	Work in process						Finished goods					
All manufacturing industries, total..	41,962	41,405	41,040	41,925	41,335	37,647	37,086	36,983	36,899	36,555	36,329	35,175
Durable goods industries, total.....	35,557	35,082	34,742	35,573	35,039	31,774	18,658	18,805	18,886	18,161	18,160	17,610
Stone, clay, and glass products.....	395	389	377	365	361	304	1,371	1,395	1,411	1,297	1,306	1,254
Primary metals.....	3,398	3,455	3,496	3,390	3,401	3,454	2,327	2,391	2,472	2,268	2,291	2,874
Machinery (electrical and nonelectrical).	13,215	12,983	12,675	13,258	12,986	11,106	7,337	7,351	7,342	7,222	7,207	6,852
Transportation equipment.....	12,594	12,576	12,439	12,645	12,616	11,705	1,579	1,566	1,584	1,579	1,549	1,383
All other durable goods industries.....	5,955	5,679	5,755	5,915	5,675	5,205	6,044	6,102	6,077	5,795	5,807	5,247
Nondurable goods industries, total.....	6,405	6,323	6,298	6,352	6,296	5,873	18,428	18,178	18,013	18,394	18,169	17,565
Chemicals and allied products.....	1,126	1,126	1,127	1,114	1,107	1,039	3,386	3,378	3,408	3,305	3,274	3,475
Petroleum and coal products.....	585	536	524	587	545	496	1,427	1,396	1,311	1,496	1,454	1,408
Rubber and plastics products, n.e.c.....	417	421	408	416	419	387	1,215	1,238	1,253	1,184	1,198	1,233
All other nondurable goods industries....	4,277	4,240	4,239	4,235	4,225	3,951	12,400	12,166	12,041	12,409	12,243	11,449

[p]Preliminary.
[r]Revised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio[1] (months' backlog			
	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1972	Nov. 1973[p]	Oct. 1973[r]	Sept. 1973	Nov. 1972
All manufacturing industries, total	1.54	1.56	1.59	1.61	2.53	2.52	2.57	2.17
Durable goods industries, total	1.85	1.85	1.90	1.92	3.00	2.97	3.02	2.57
Stone, clay, and glass products	1.26	1.25	1.32	1.22	(NA)	(NA)	(NA)	(NA)
Primary metals	1.35	1.37	1.49	1.81	2.20	2.23	2.37	1.49
Fabricated metals	1.87	1.83	1.96	1.93	3.46	3.45	3.56	2.95
Machinery, except electrical	2.51	2.54	2.56	2.85	3.28	3.25	3.17	2.89
Electrical machinery	2.28	2.25	2.24	2.08	3.67	3.59	3.57	3.17
Transportation equipment	1.65	1.64	1.65	1.61	5.18	5.09	5.02	4.69
Instruments and related products	2.53	2.48	2.54	2.25	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total	1.16	1.19	1.21	1.24	0.54	0.56	0.60	0.51
Food and kindred products	0.85	0.87	0.88	0.94	(X)	(X)	(X)	(X)
Tobacco products	4.54	4.52	4.82	4.54	(X)	(X)	(X)	(X)
Textile mill products	1.71	1.74	1.78	1.73	(NA)	(NA)	(NA)	(NA)
Paper and allied products	1.10	1.10	1.12	1.17	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products	1.23	1.26	1.29	1.38	(X)	(X)	(X)	(X)
Petroleum and coal products	0.75	0.78	0.77	0.89	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.	1.43	1.47	1.50	1.41	(X)	(X)	(X)	(X)

(NA) Not available. [p]Preliminary. [r]Revised. (X) Not applicable.

[1]Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this

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definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of paritial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.